

# LOAN MONITORING STRATEGIES AND LOAN REPAYMENT PERFORMANCE OF REVOLVING FUNDS IN KENYA

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## ABSTRACT

The goal of this study was to investigate the influence of loan monitoring strategies on repayment performance of the revolving funds in Kenya. Specifically, the study evaluated the relationship between Number of monitoring visits, Number of arrears report and the repayment performance. A conceptual framework was used to determine factors that influence revolving fund repayment performance in Kenya. The study adopted descriptive correlational research design. A Stratified random sampling and purposive sampling techniques was utilized to give a sample of 181 youth and Woman Enterprise Fund officers in Kenya, while a questionnaire was used to collect primary and secondary data. Multiplelinear regression was used to test the research hypothesis and demonstrate the relationship between the variables. Results showed that the number of monitoring visits and arrears report had a positive and significance effect on repayment performance of revolving funds in Kenya. With a huge demand for low-interest fund schemes globally, a study focusing on Kenya's recovery strategies, which is a leader in the financial market in East Africa; promotes sustainability of the funds through proper management of the revolving schemes.

Previous studies have focused on the default rates of revolving funds in Kenya as well as the challenges facing the funds. This study went further to investigate the strategies put in place that influence repayment performance of revolving funds. The study contributes to the body of knowledge by establishing strategies that influence rate of repayment performance of revolving funds.

**Key Words:** *Client Appraisal Strategies, Rate of Repayment, Strategies, Default Rate, Revolving Fund.*